



# The Real Estate ANALYST

JULY 21  
1961

## CONSTRUCTION BULLETIN

Volume XXX

© by ROY WENZLICK RESEARCH CORP., 1961

Number 31

*Real Estate Economists, Appraisers and Counselors*

### FIRST QUARTER TRENDS

A noted economist has said that the main business of the forecaster is to figure out where we have been in the last few months. That is what we are trying to do in this report. Contrary to many gloomy reports on residential construction, we have found some encouraging indications that recovery is underway. When we reported on residential construction trends of the fourth quarter of 1960 last May, residential construction was worse than for the same quarter of the previous year in 106 of the 177 places reporting. The number of cities reporting conditions worse than for the previous year has dwindled to 85 of the 177 reporting places during the first quarter of 1961. The table below reports on the number of cities doing better, the same, or worse in the latest two quarters for which data are available.

#### CHANGES IN REPORTED VOLUME OF RESIDENTIAL CONSTRUCTION IN METROPOLITAN AREAS

Number of areas in which . . .	Comparison of dwellings built during 1st quarter 1961 with that of 1960	4th quarter 1960 with that of 1959
more units were built this year than last year . . . . .	90	71
the same number of units were built this year as last year . . . . .	2	0
fewer units were built this year than last year . . . . .	85 177	106 177

The most fascinating thing about studying changes in urban areas is the wide variations found among them even though there is only a slight change in the total activity of all cities or areas. For example, the percentage change in the number of new family accommodations built during the first quarter of 1961 compared with the first quarter of 1960 ranged from an increase of 247 percent in Charlotte, North Carolina, to a decrease of 88 percent in Wheeling, West Virginia, while the average for all cities was an increase of 1 percent.

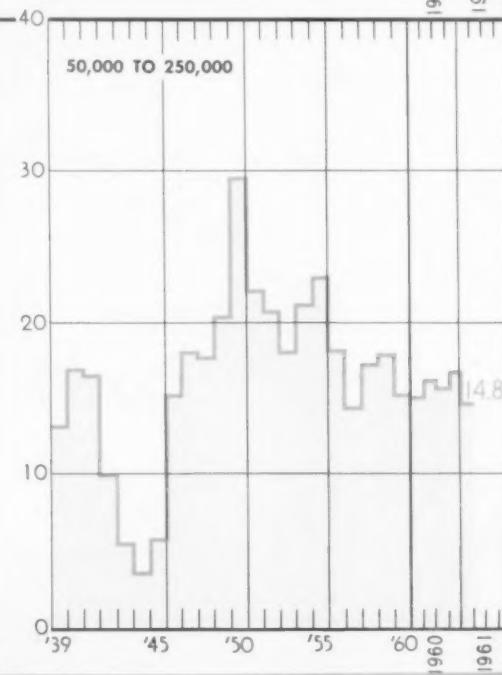
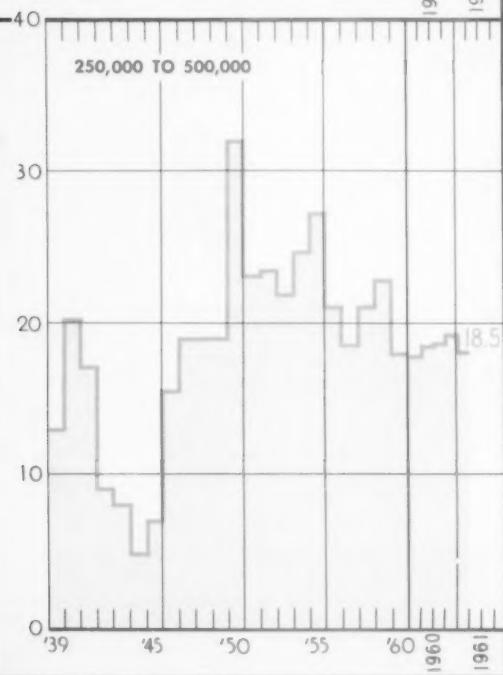
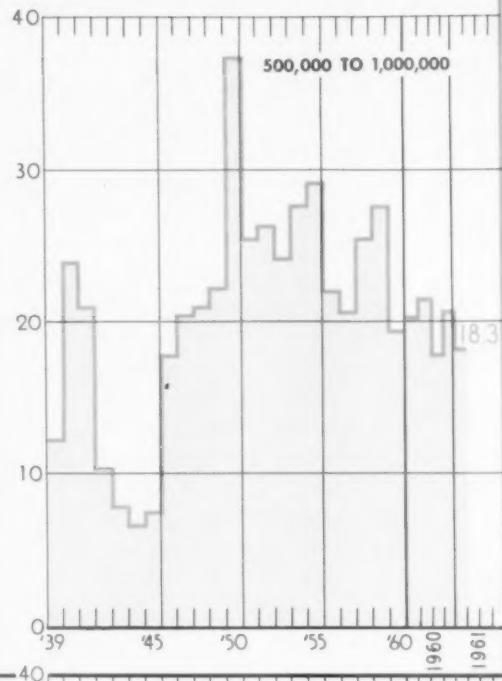
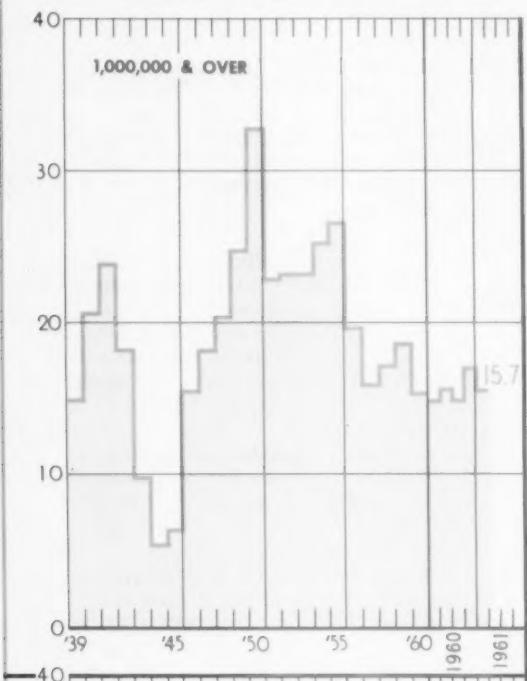
As would be expected, most of the areas with high rates of construction (new family units per 10,000 families) are located in the young and growing

(cont. on page 380)

## NEW FAMILY ACCOMMODATIONS

IN METROPOLITAN AREAS - CLASSIFIED BY SIZE OF POPULATION

NUMBER BUILT PER MONTH  
PER 10,000 FAMILIES



## EXPLANATION OF CHARTS

**R**ESIDENTIAL building in all metropolitan areas of the United States as defined by the 1950 Census is charted on the following pages. The 168 areas include all areas in which the central city had a 1950 population of more than 50,000.

In each city all suburbs, incorporated and unincorporated areas, have been contacted and every effort has been made to make this report as complete as possible. In most cities it has been possible to include practically all of the suburbs within the metropolitan area. For example, the New York City and Northeastern New Jersey area figures include the building in 326 suburban communities; the Chicago area includes building in 174 suburban communities; Philadelphia, 198; Detroit, 110; Los Angeles, 61; and Cleveland, 65. In all, more than 2,300 communities are represented in these charts.

On the charts the figures are expressed as the number of new family units started per 10,000 families in each metropolitan area as indicated by building permits. In nonpermit-issuing areas, we requested the tax clerk to report to us the number of dwelling units added to the tax roll each month. In this computation, a single-family dwelling counts 1, a 2-family dwelling counts 2, and a 24-family apartment counts 24. All public housing and war housing projects have been included, along with buildings that were privately built and financed.

The blue italicized numerals on each chart give the number of new family accommodations built in the last 3 months for which figures are available. These are actual figures and are not adjusted for the number of families. The red italicized numerals give the corresponding figures for the corresponding period of a year ago.

It should be noticed on the individual charts that separate averages (medians) have been used for four groupings of metropolitan areas. The average number of new family accommodations built per month per 10,000 families is shown from 1929 to the present for metropolitan areas having from 50,000 to 250,000 people (the solid red line); for areas having from 250,000 to 500,000 people (the beaded red line); for areas having from 500,000 to 1,000,000 people (the dash-dot line); and for those areas having a population of over 1,000,000 (the dashed red line). Ninety-one areas fall into the first category; 44 into the second; 19 into the third; and 14 into the fourth.

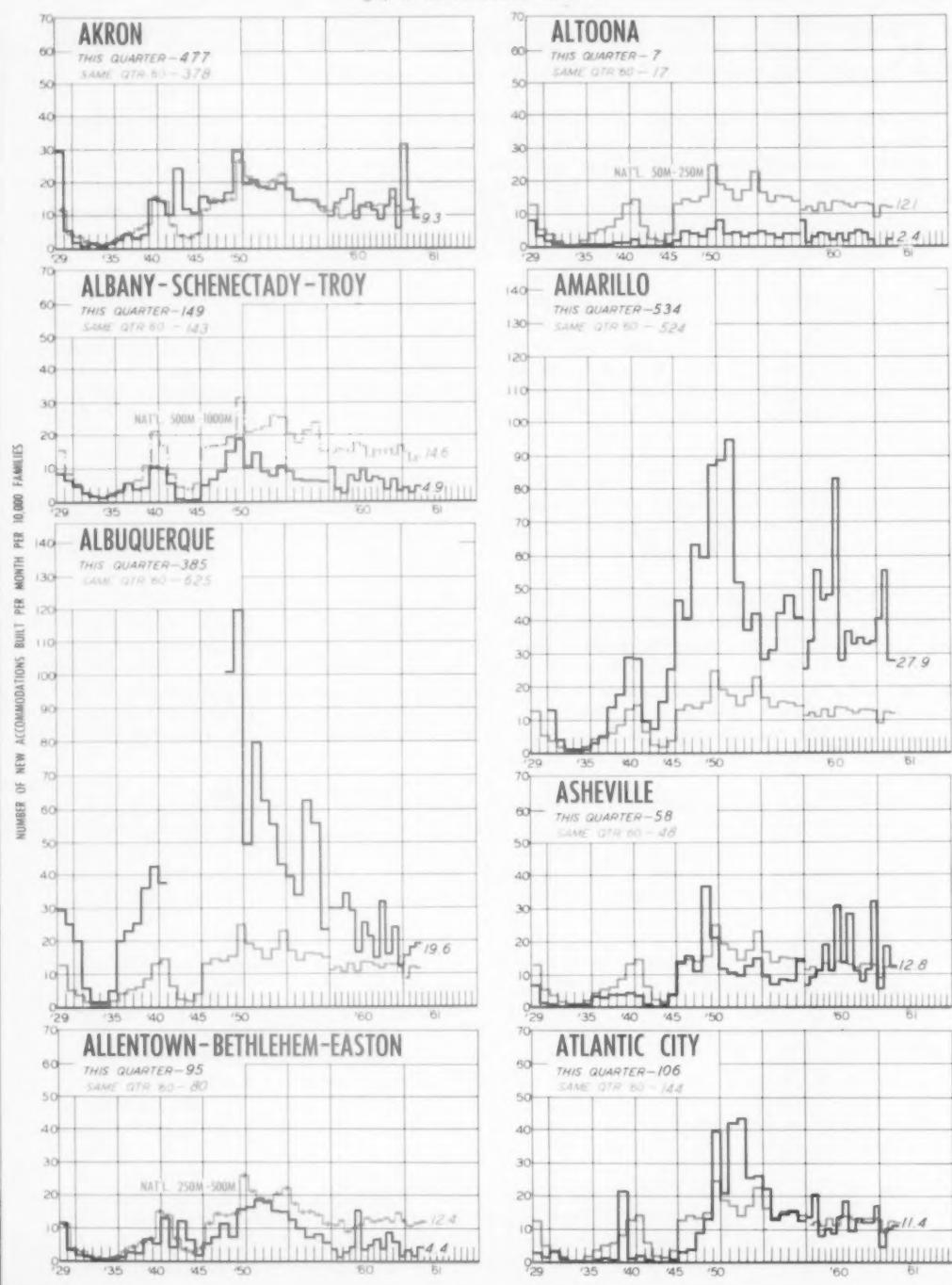
On each area chart is shown in red the national average for areas in its grouping in contrast to the blue line, which shows the figures for the specific area. The averages used on the area charts are medians. A median average is found by arranging the data in order of size and selecting the amount at the midpoint. Because a median average thus eliminates the influence of the two extremes, it gives a very good picture of the typical area in each group.

On the chart on page 358 we have also shown national averages for each of the groupings of metropolitan areas: (1) 50,000 to 250,000 population; (2) 250,000 to 500,000 population; (3) 500,000 to 1,000,000 population; and (4) 1,000,000 population and over. These averages should more properly be called arithmetic means. An arithmetic mean is obtained by adding the amounts of all the items and then dividing by the number of items. It will be noticed that the arithmetic mean, being influenced by areas with a greatly accelerated rate of new building, is above the median average of each of the groupings. The arithmetic means are given for each grouping in order that a comparison of new building on a volume basis may be made.

We repeat, the chart on page 358 shows the arithmetic mean of the construction rate in the different-sized areas. The red line on each of the individual charts shows the median for the group in which each area belongs, making it possible to compare the rate in one area (blue line) with the average rate of all other areas of comparable size (red line).

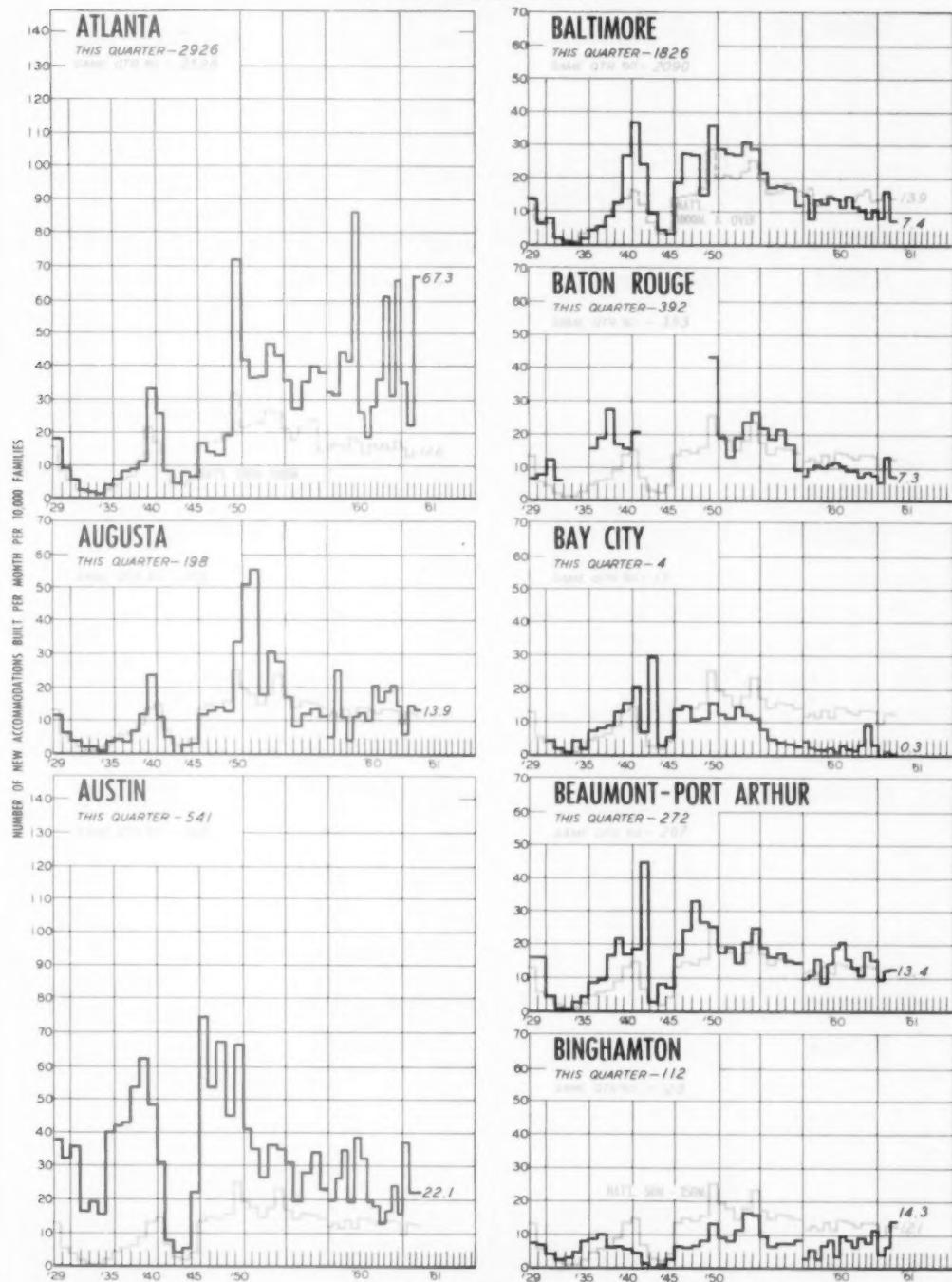
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



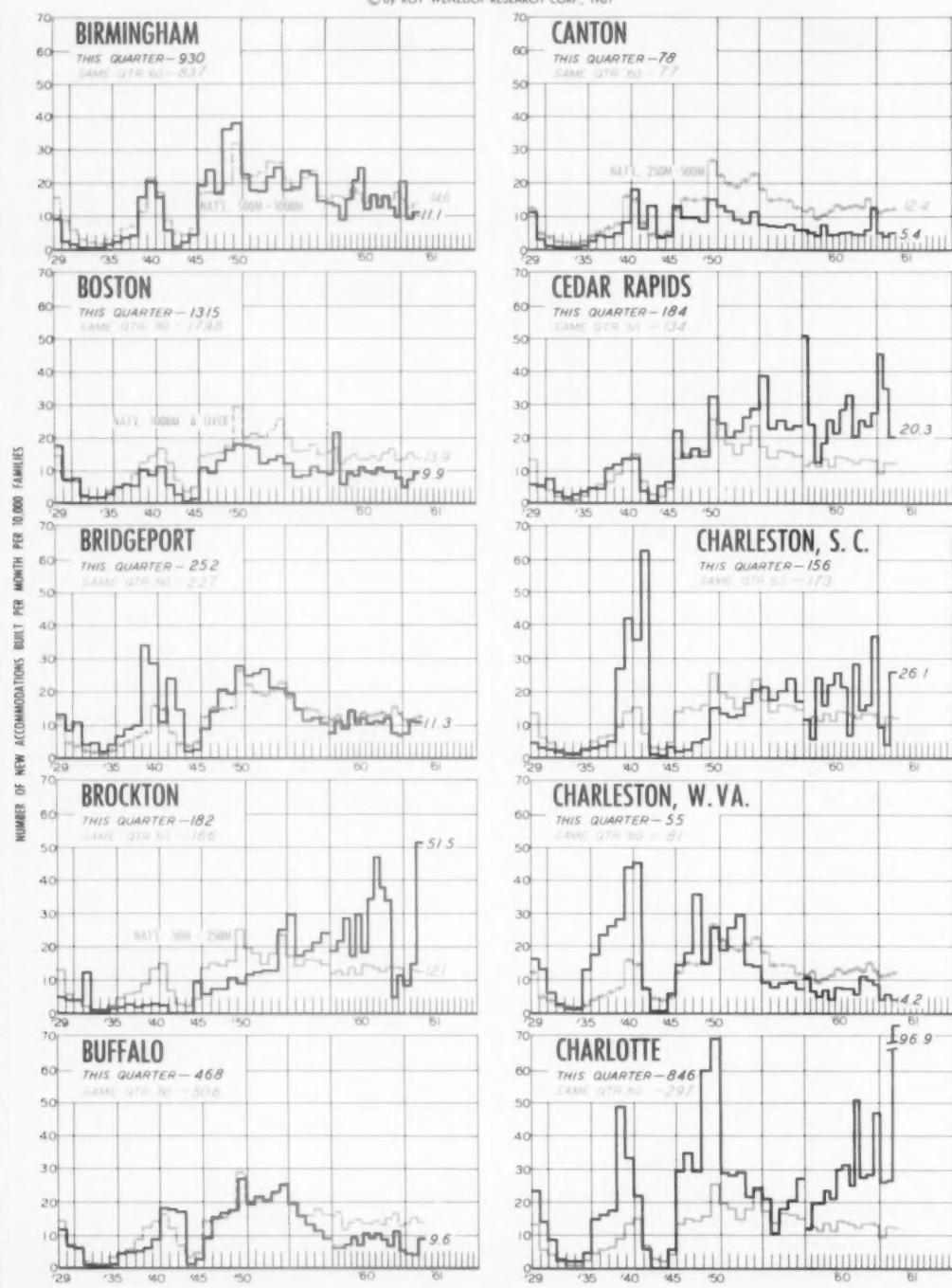
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



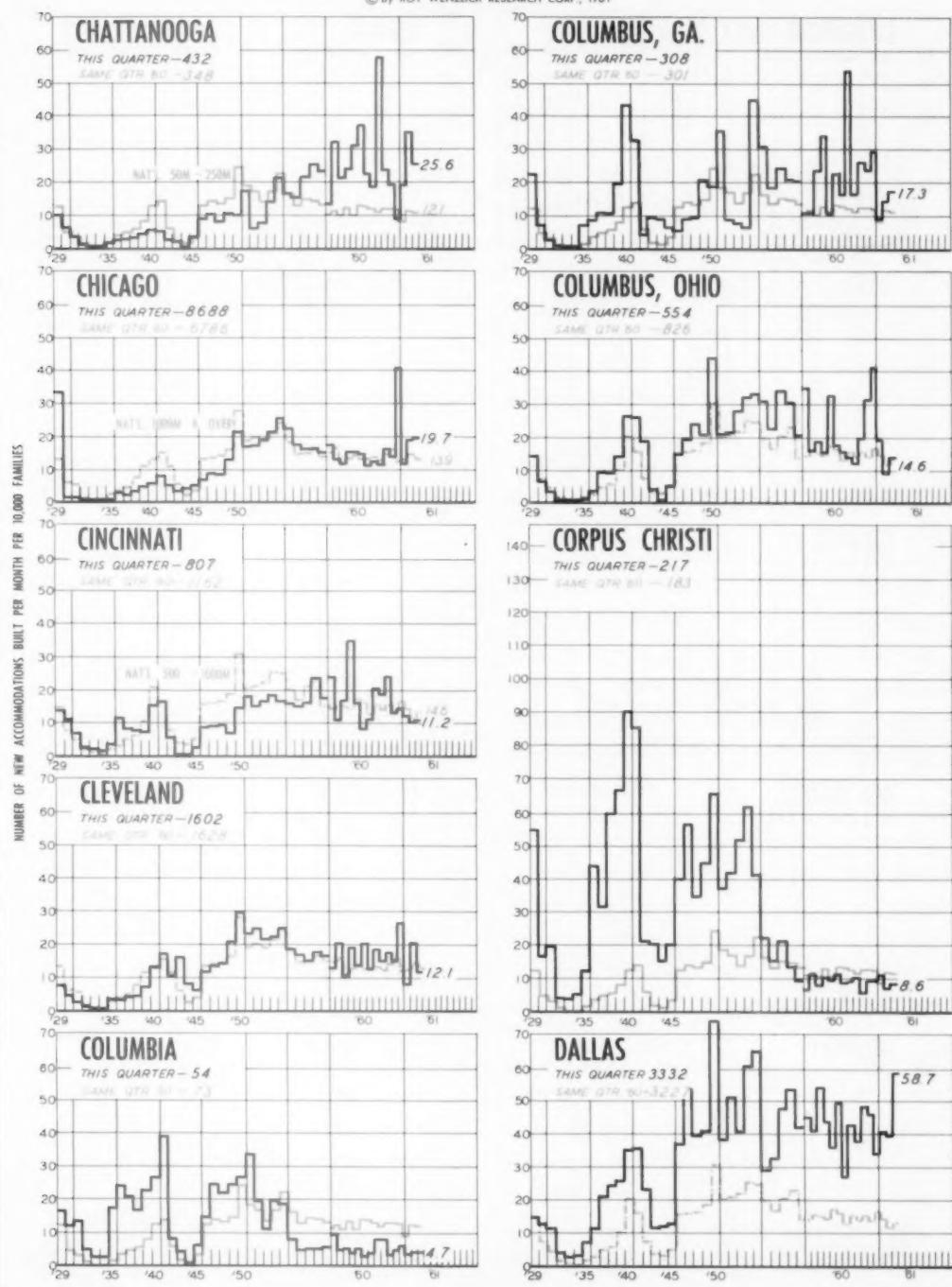
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



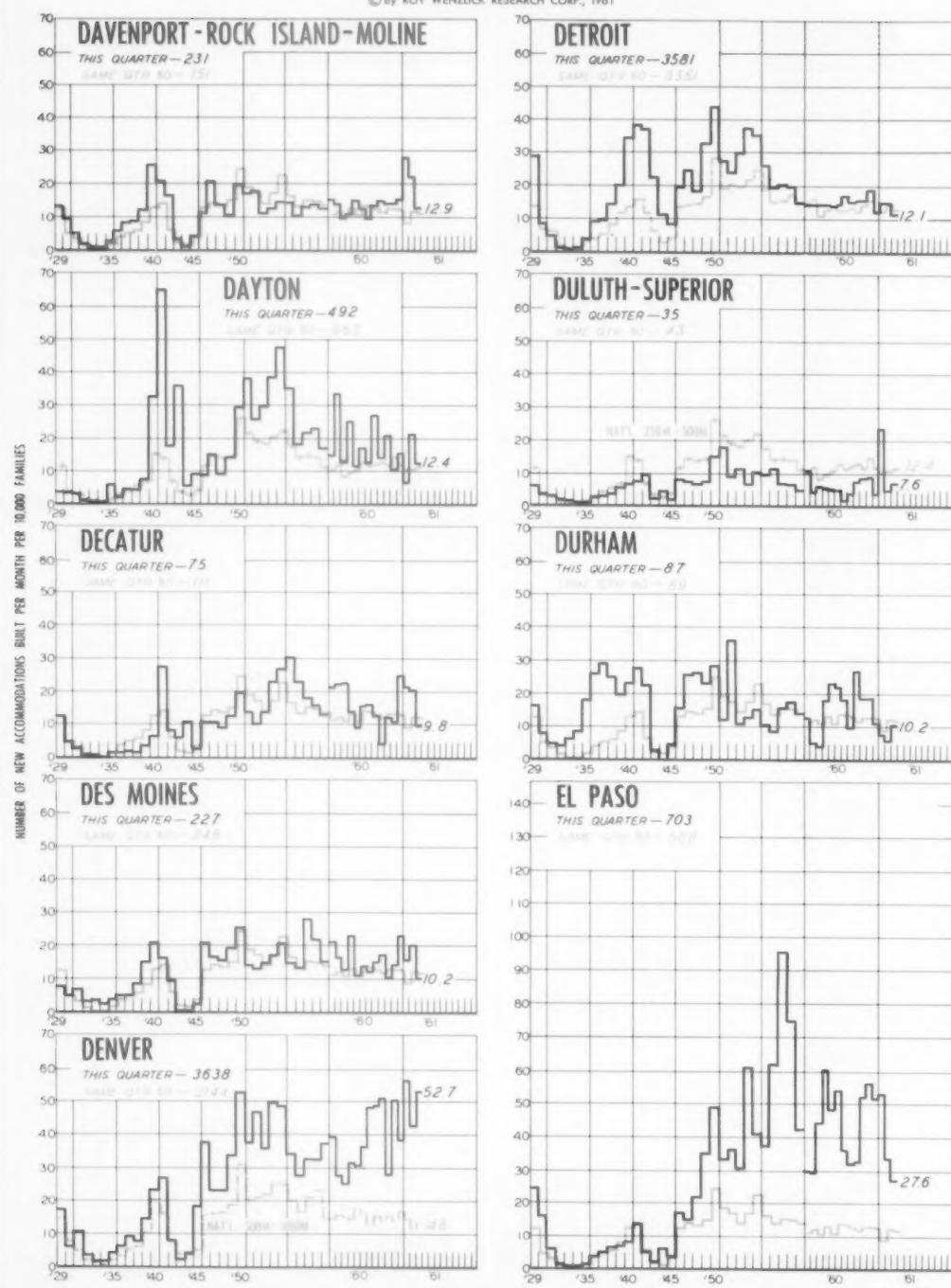
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



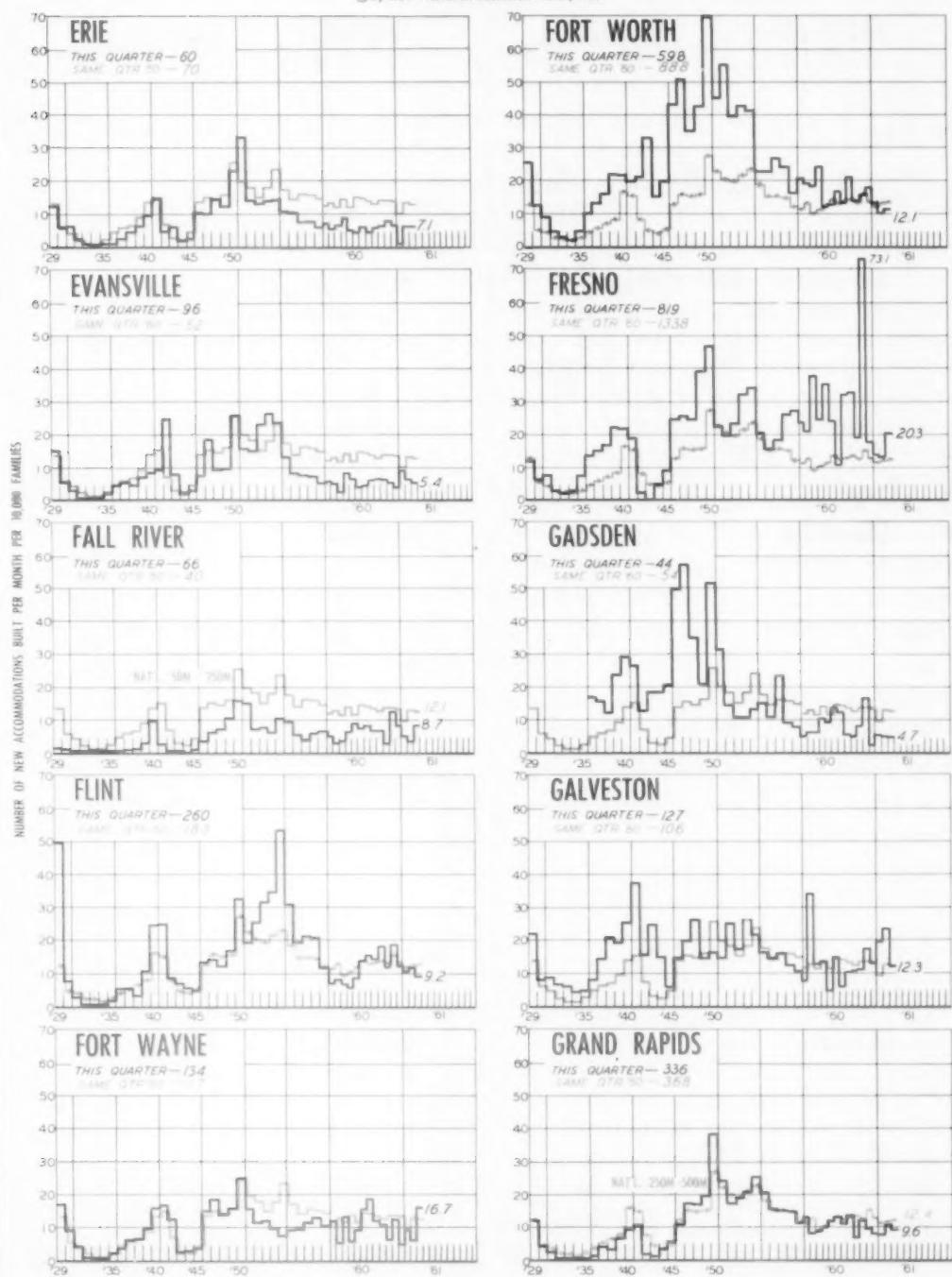
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



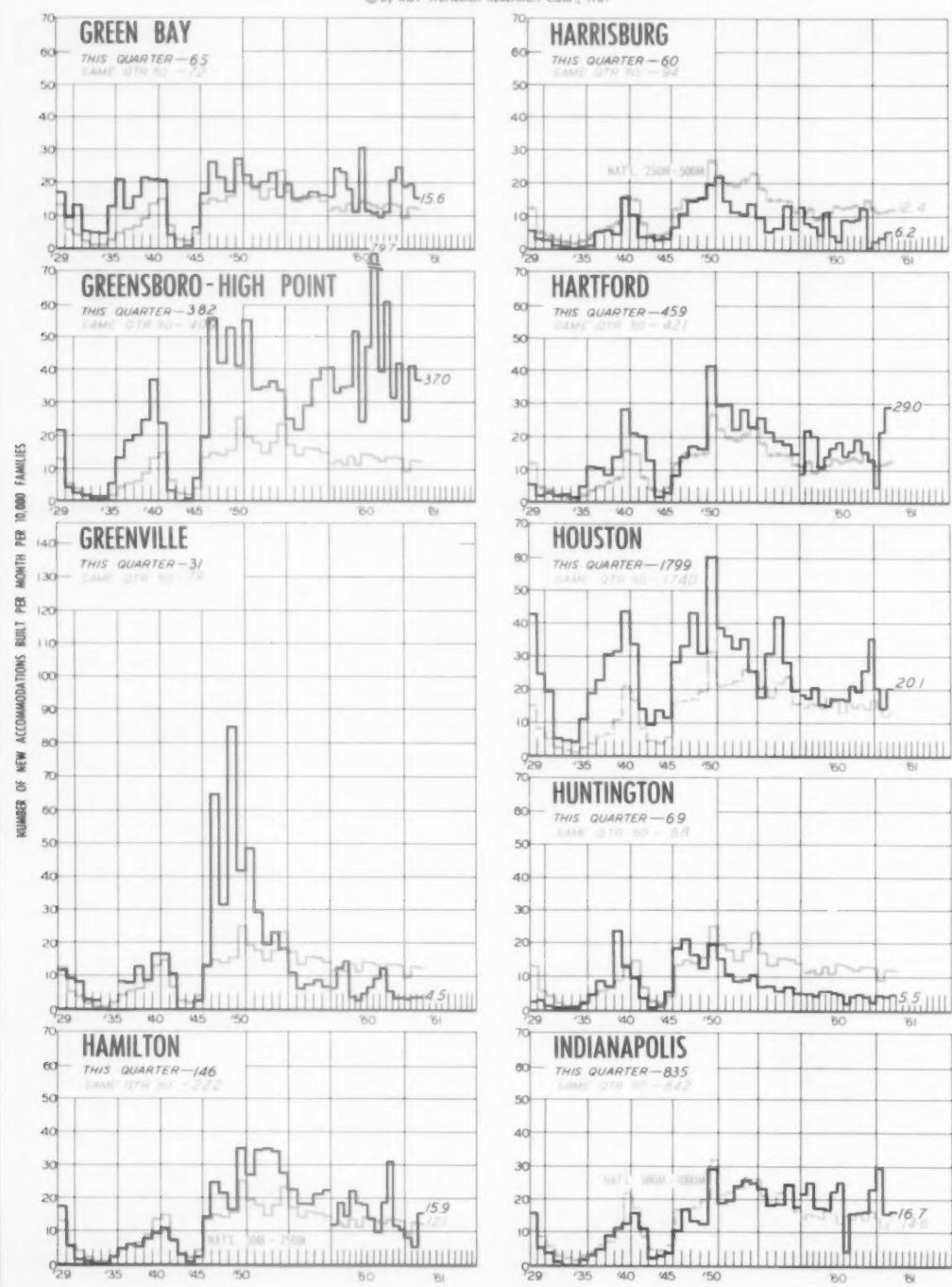
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



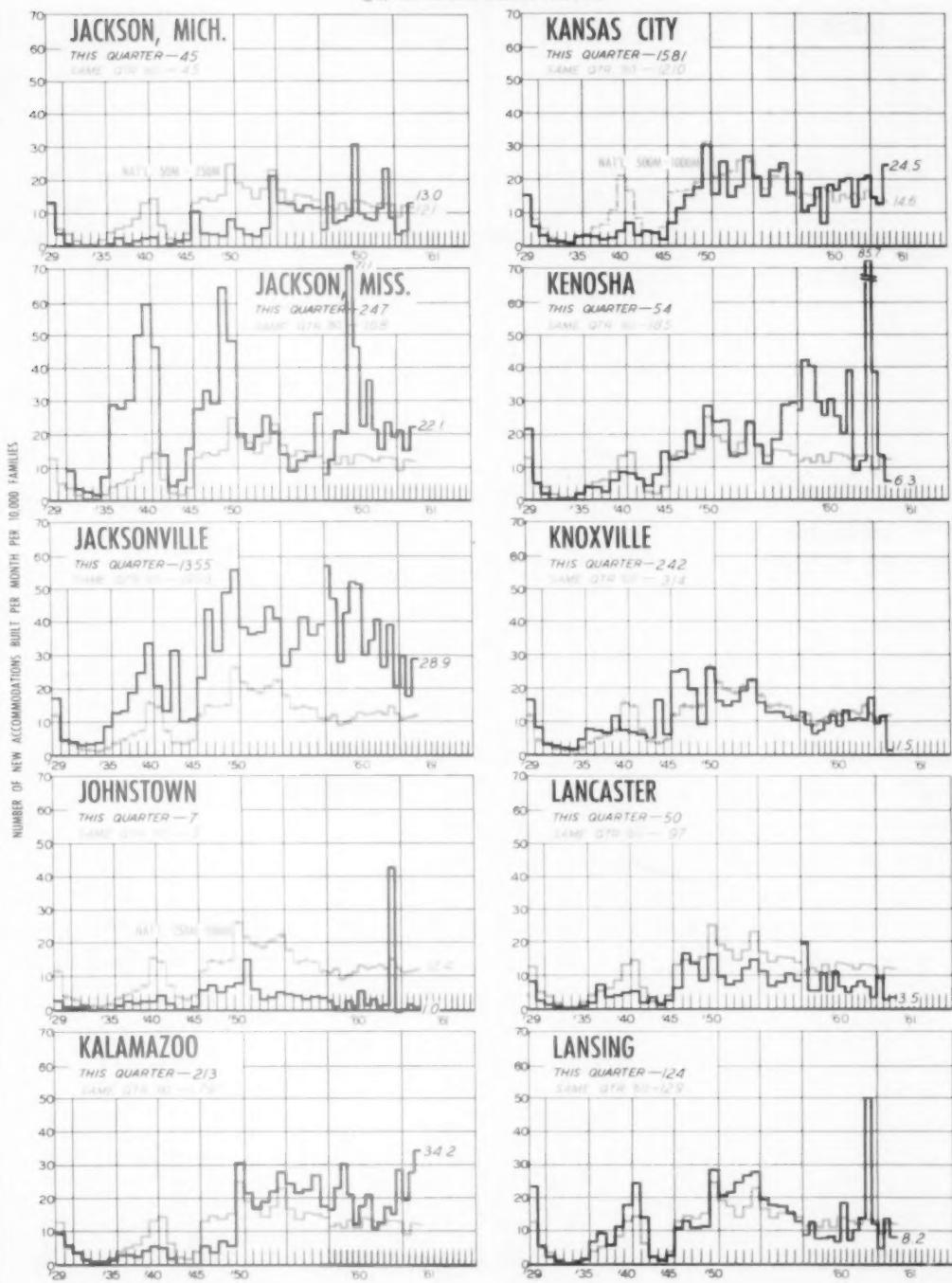
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



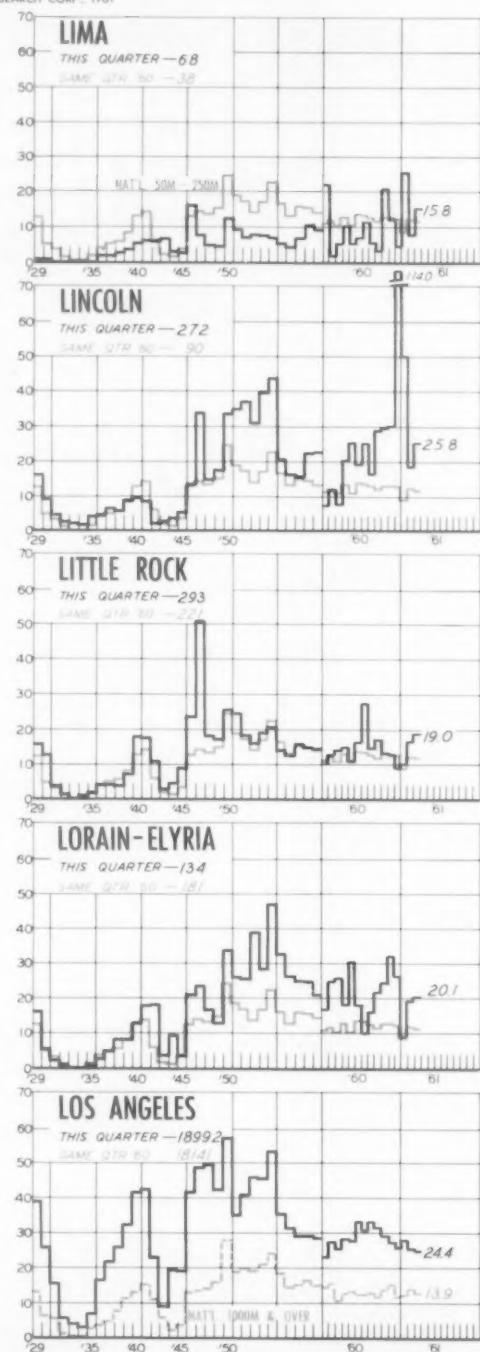
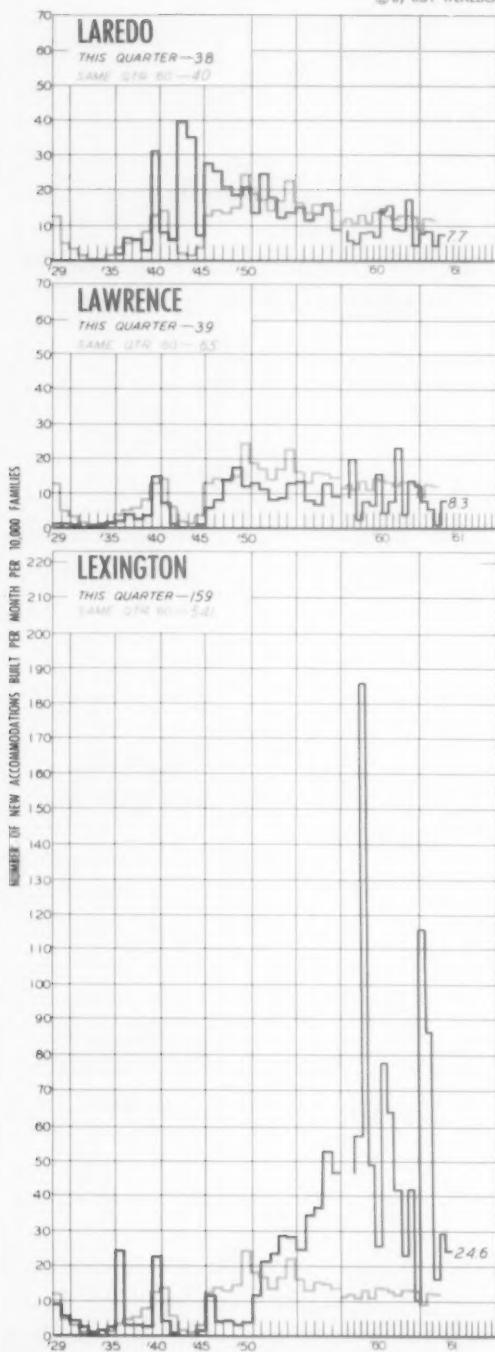
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



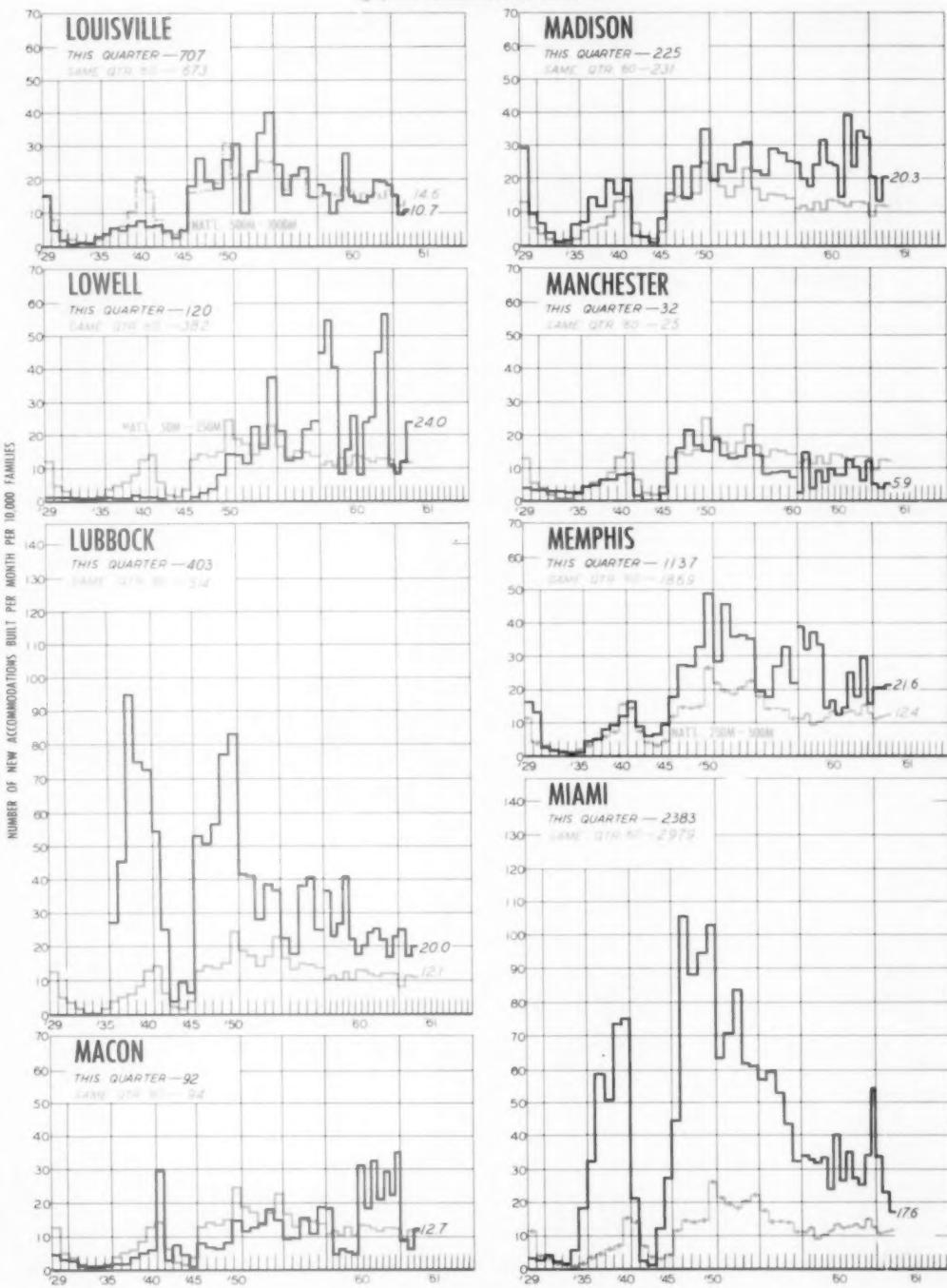
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



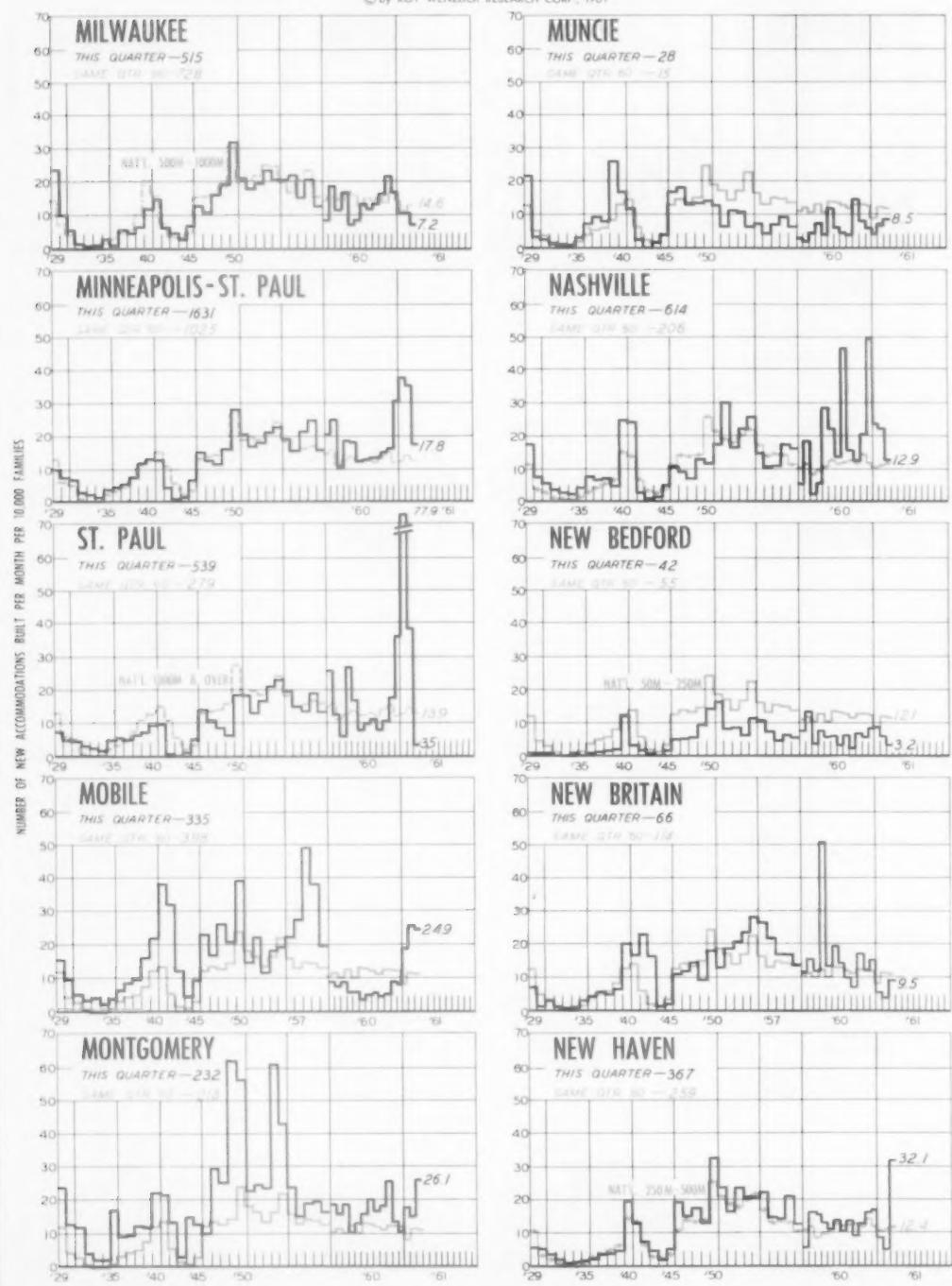
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



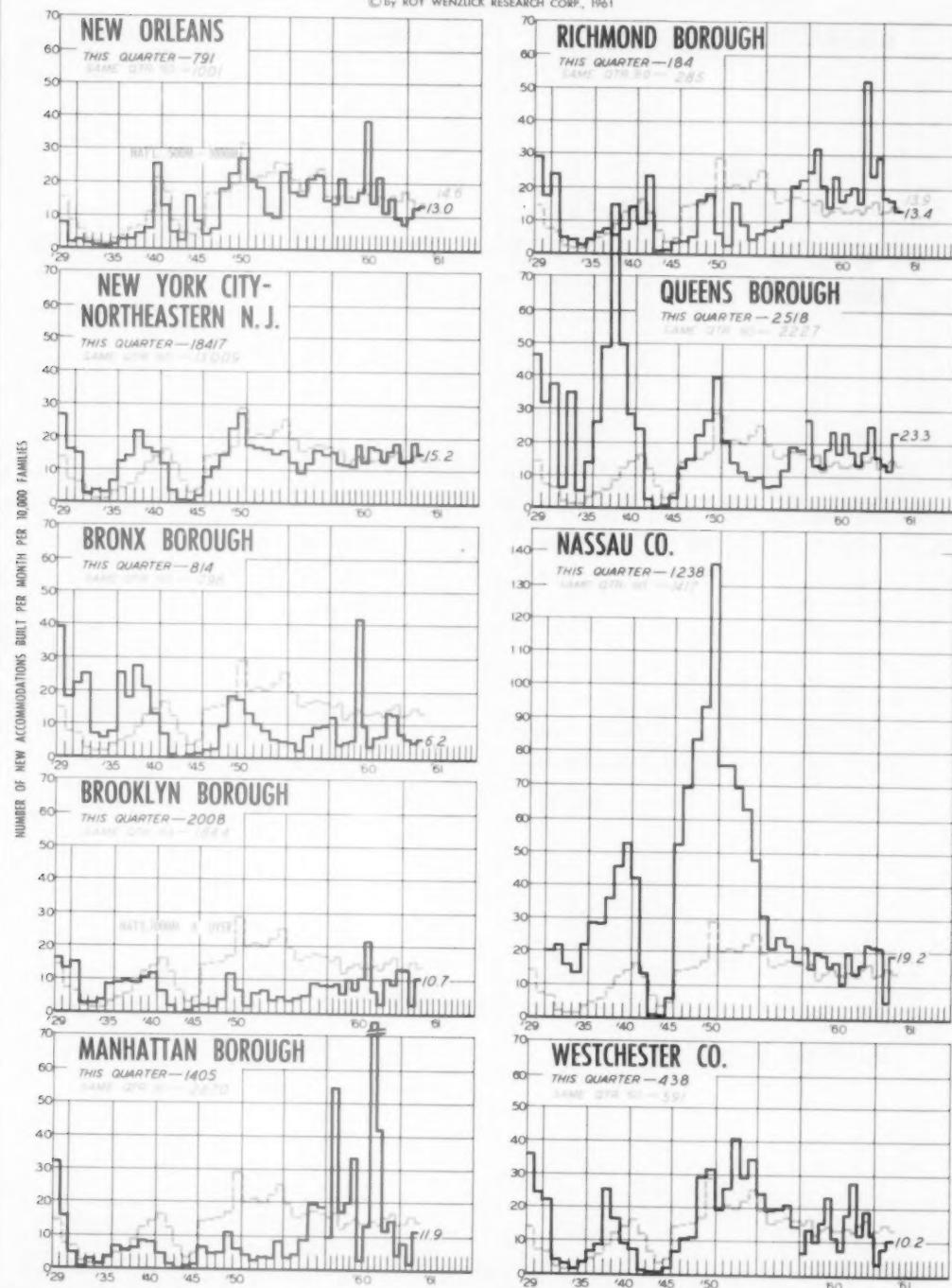
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



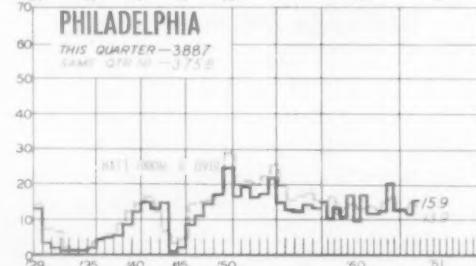
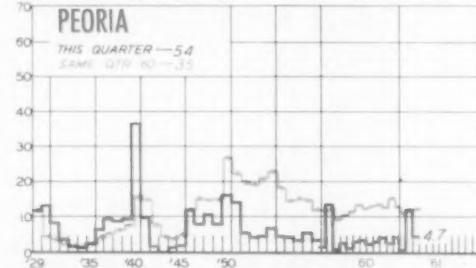
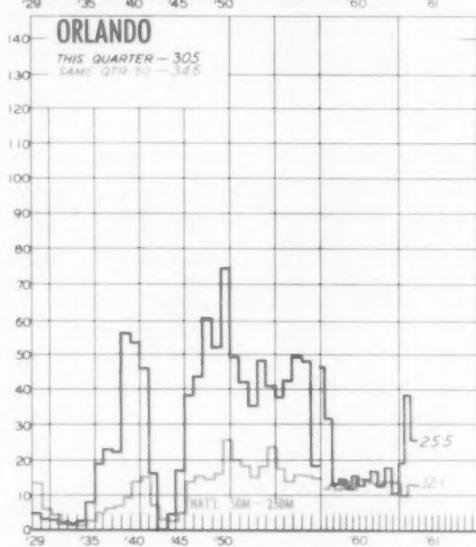
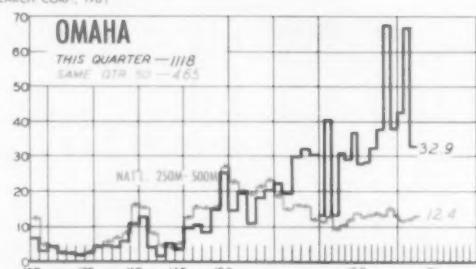
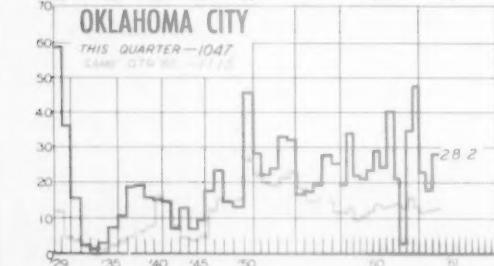
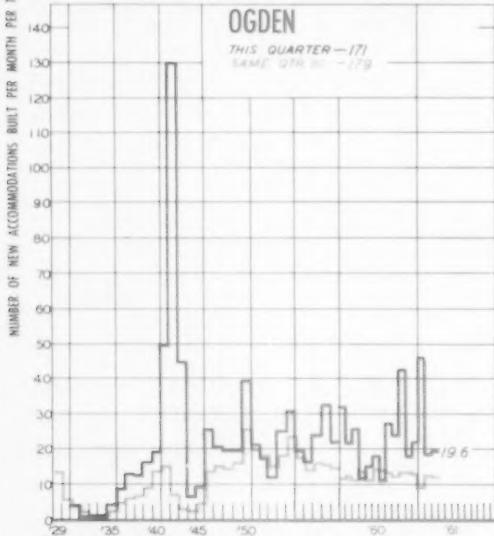
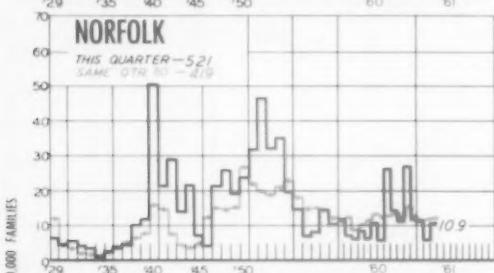
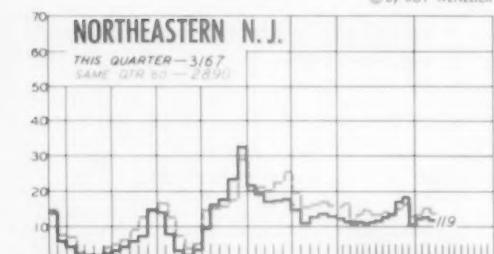
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



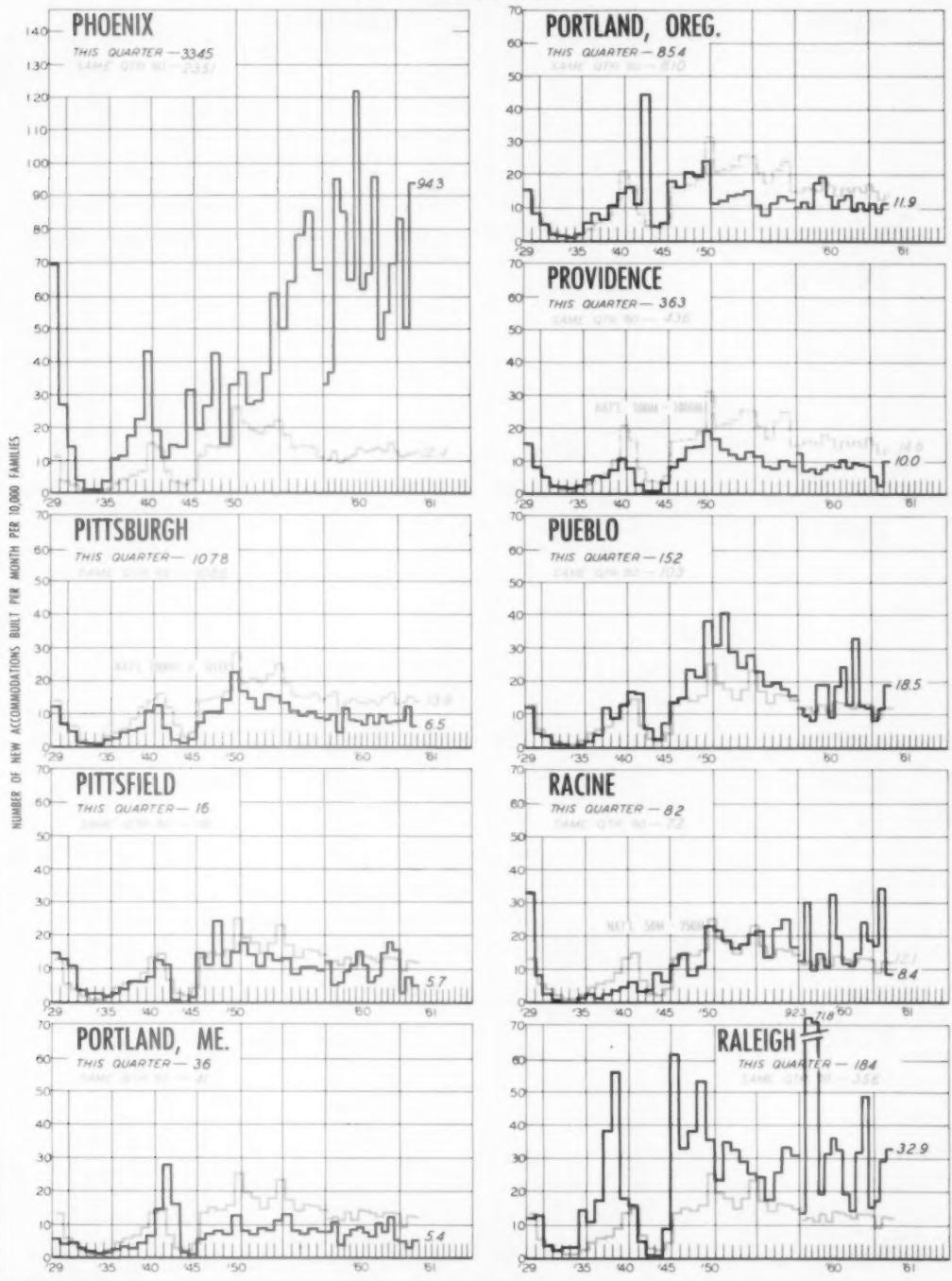
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



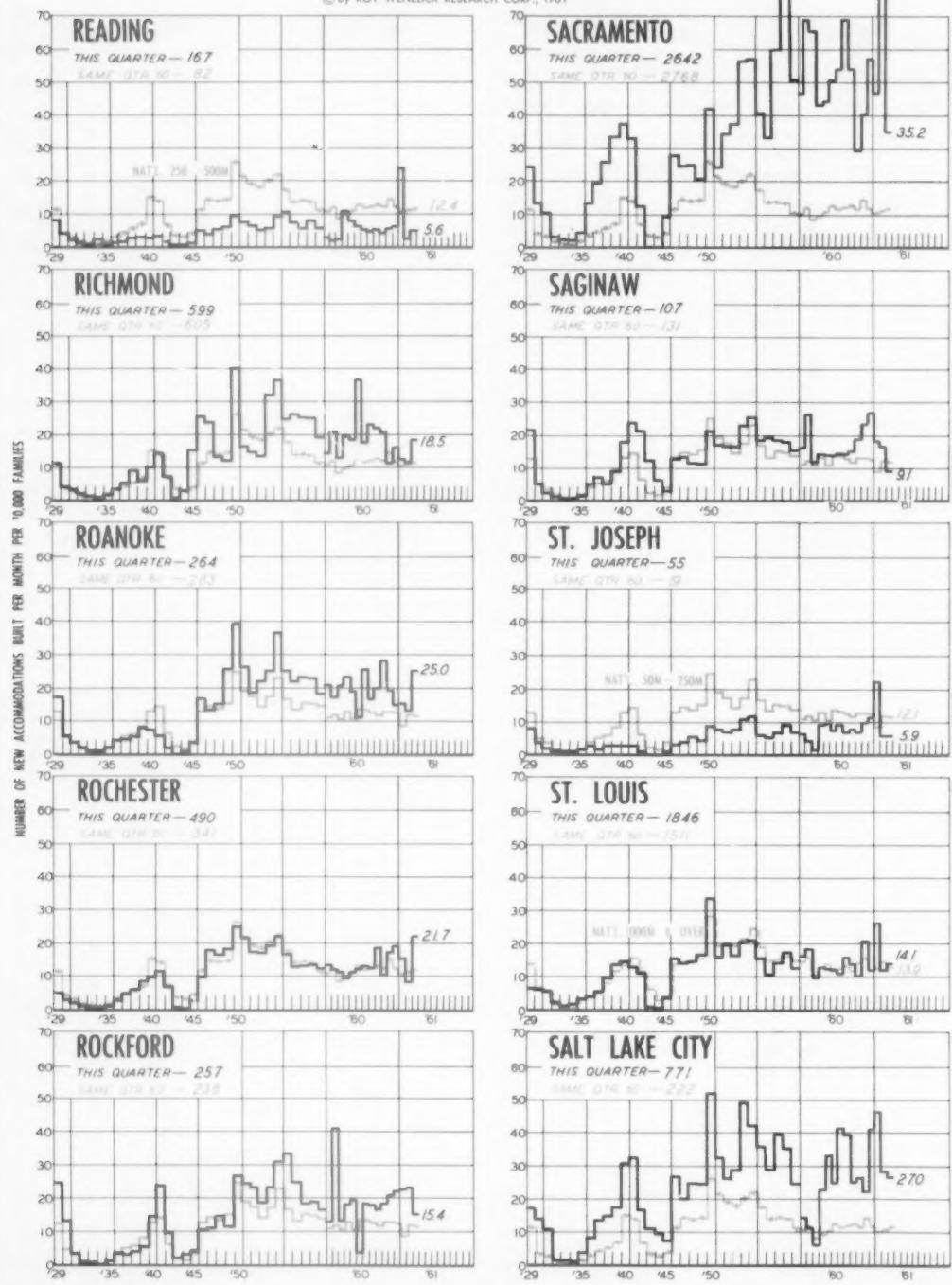
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



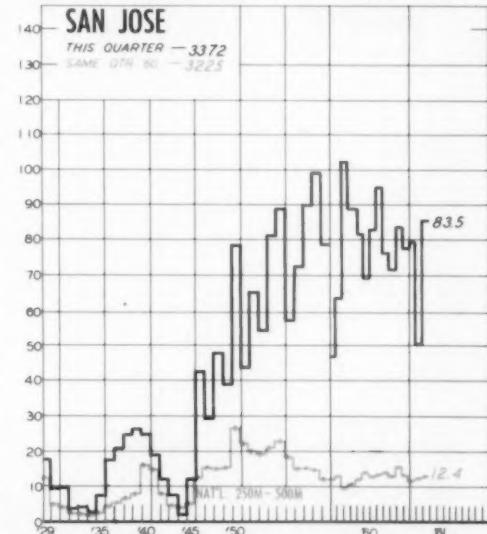
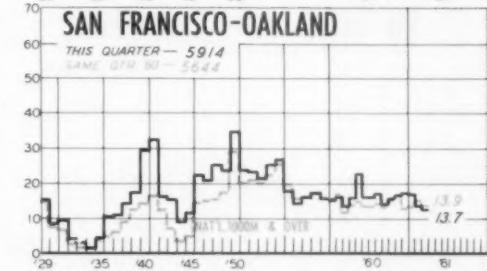
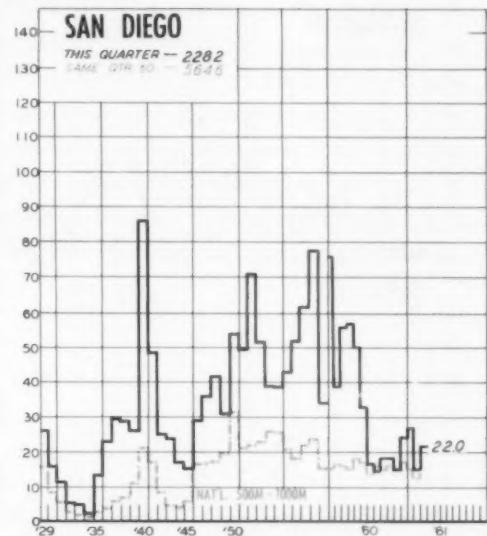
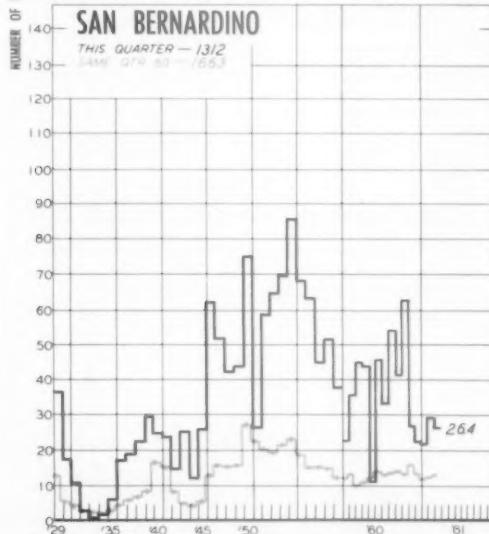
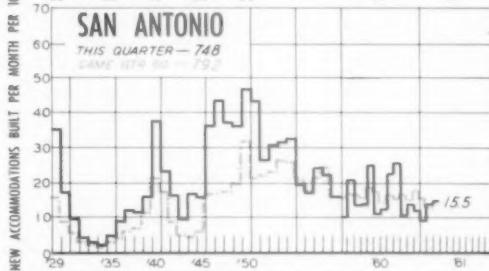
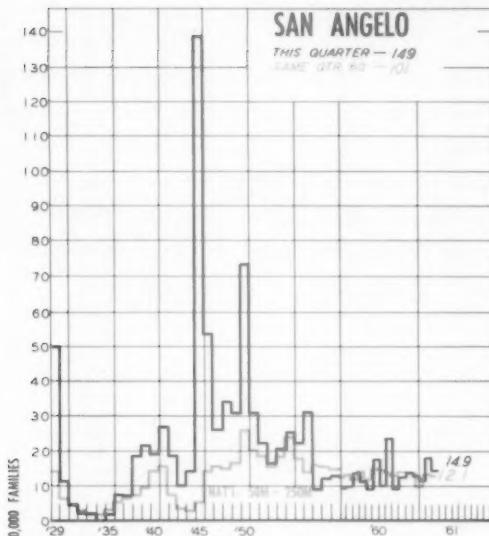
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



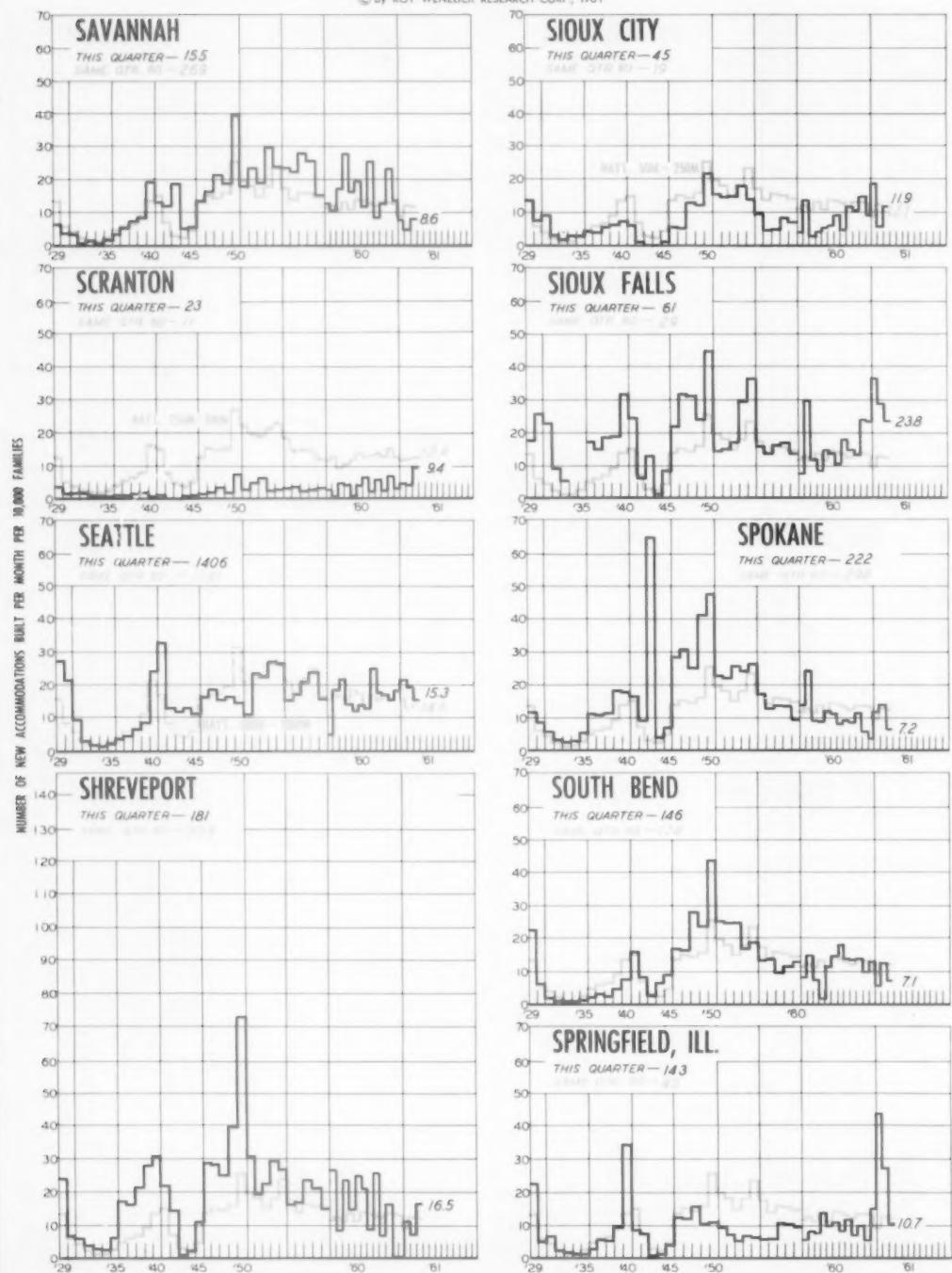
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 196



## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961

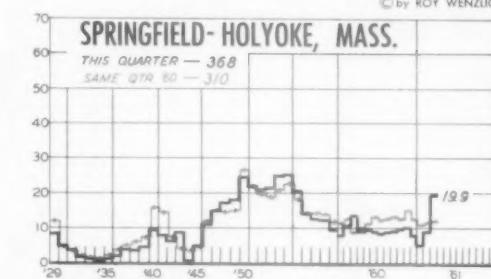


## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961

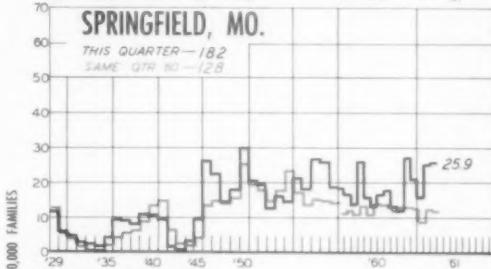
### SPRINGFIELD- HOLYOKE, MASS.

THIS QUARTER — 368  
SAME QTR 60 — 310



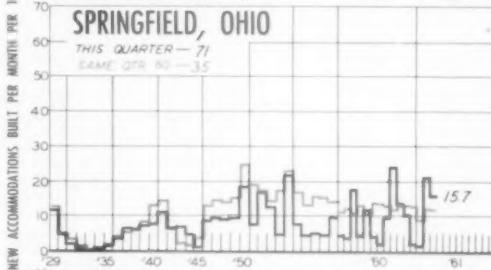
### SPRINGFIELD, MO.

THIS QUARTER — 182  
SAME QTR 60 — 128



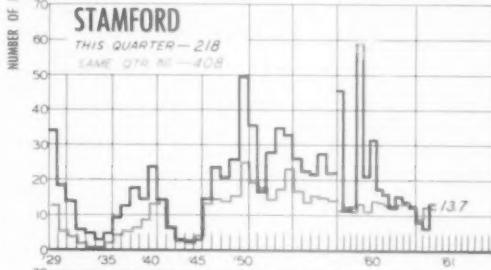
### SPRINGFIELD, OHIO

THIS QUARTER — 71  
SAME QTR 60 — 35



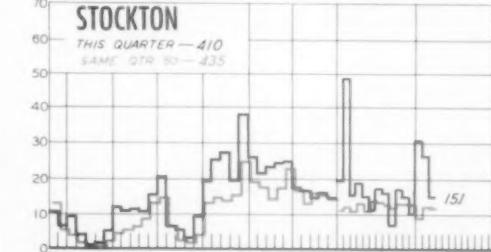
### STAMFORD

THIS QUARTER — 218  
SAME QTR 60 — 40.8



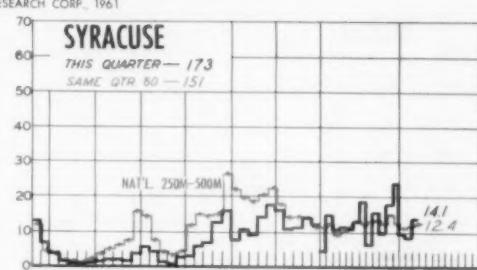
### STOCKTON

THIS QUARTER — 410  
SAME QTR 60 — 435



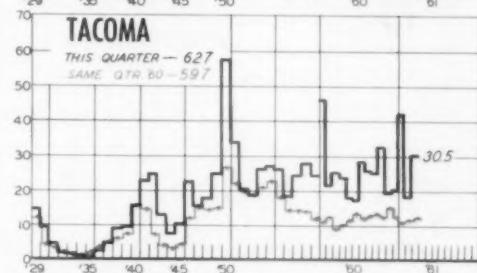
### SYRACUSE

THIS QUARTER — 173  
SAME QTR 60 — 151



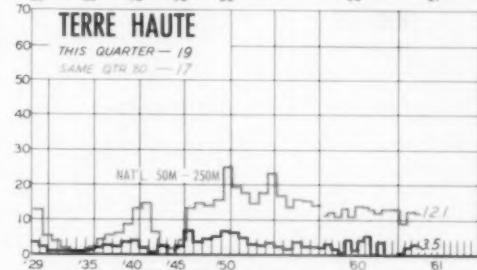
### TACOMA

THIS QUARTER — 627  
SAME QTR 60 — 597



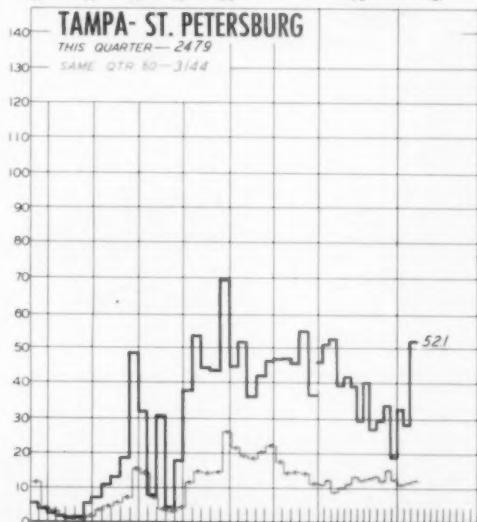
### TERRE HAUTE

THIS QUARTER — 19  
SAME QTR 60 — 17



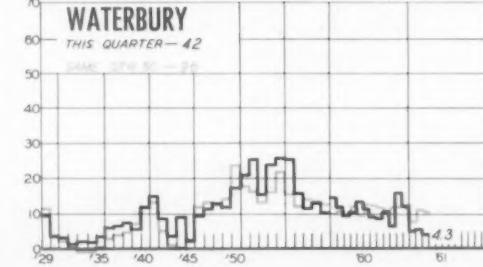
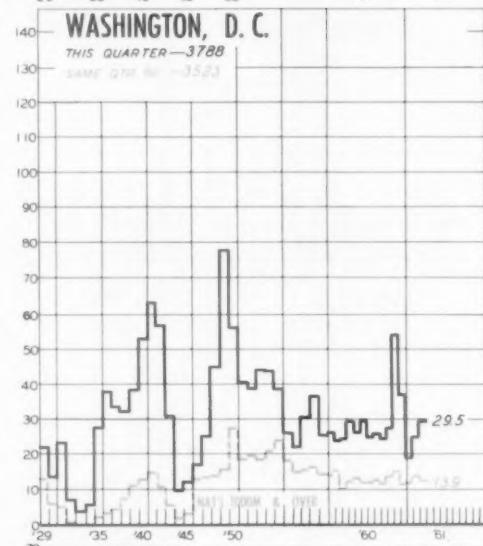
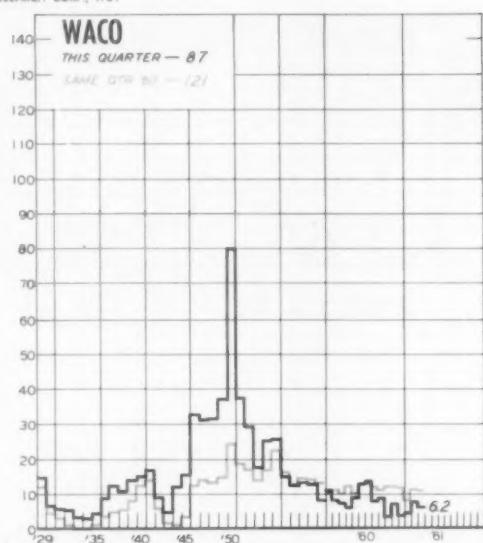
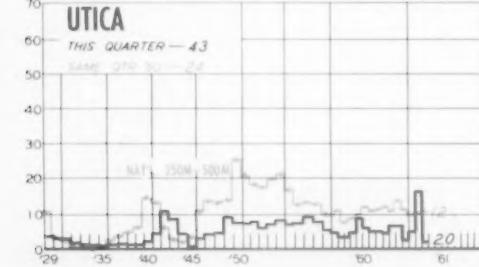
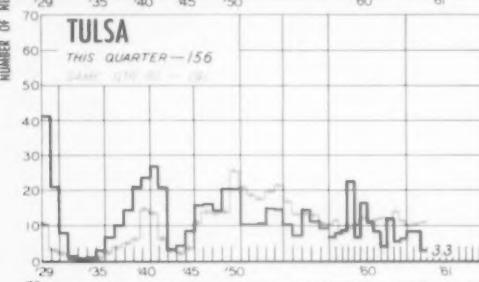
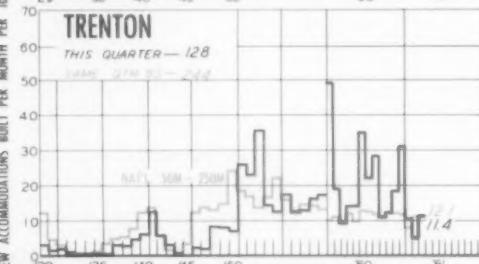
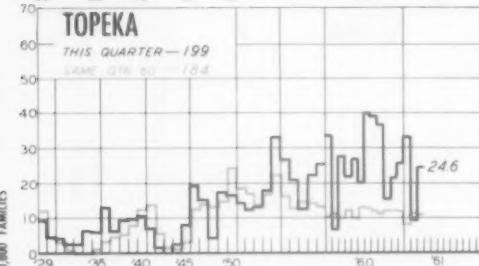
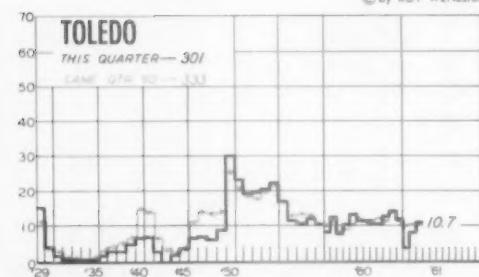
### TAMPA- ST. PETERSBURG

THIS QUARTER — 2479  
SAME QTR 60 — 3144



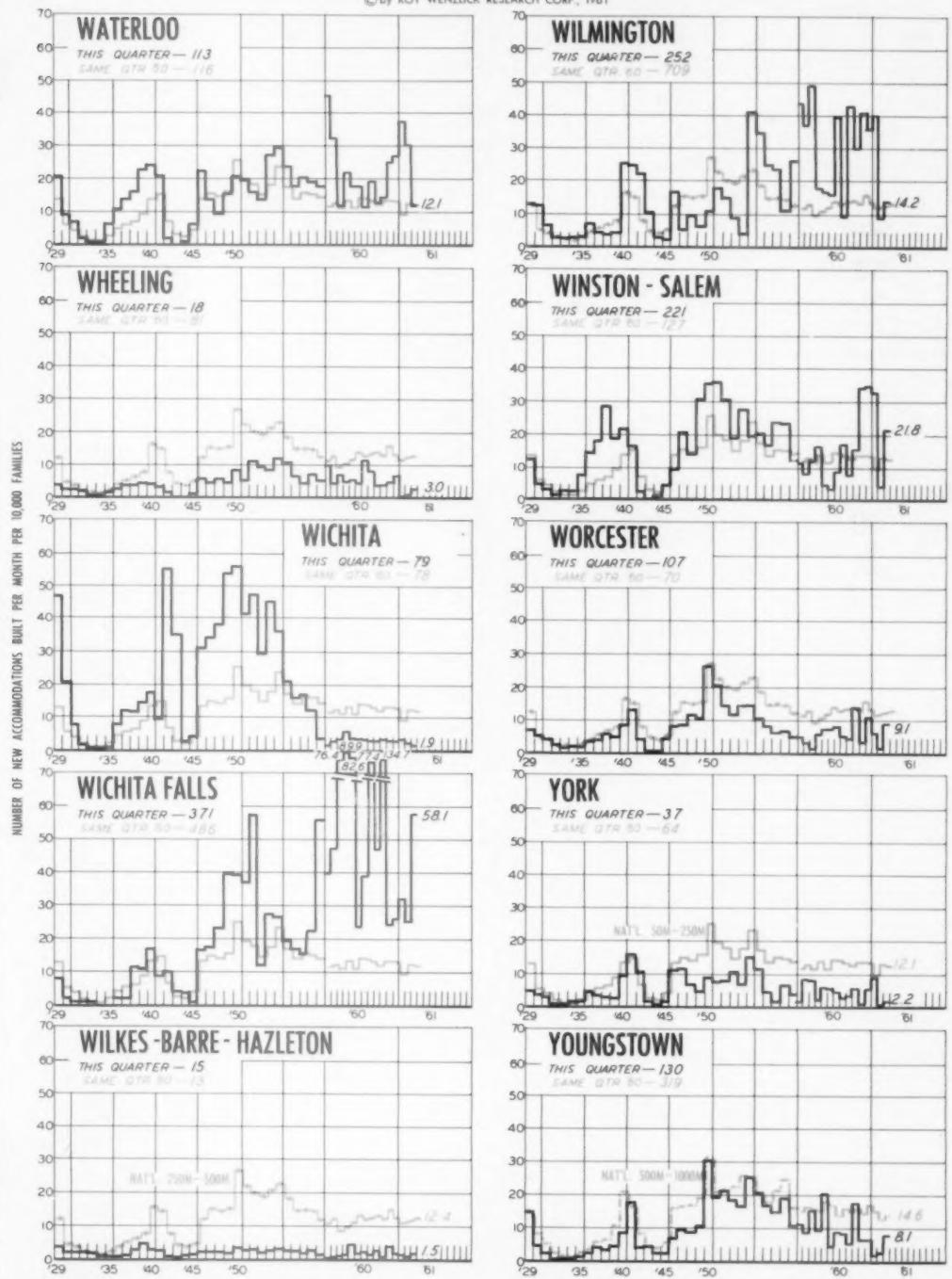
## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



## NEW FAMILY ACCOMMODATIONS PER 10,000 FAMILIES

© by ROY WENZLICK RESEARCH CORP., 1961



(cont. from page 357)

Southwest and Florida rather than in the older, more mature New England and the Midwest regions. The ten areas with the highest rate of residential construction during the month of March 1961 are tabled below:

**TEN AREAS WITH HIGHEST RATE OF RESIDENTIAL CONSTRUCTION  
NEW ACCOMMODATIONS PER 10,000 FAMILIES**  
March 1961

<u>Area</u>	<u>Rate</u>	<u>Area</u>	<u>Rate</u>
Charlotte, N. C. ....	96.9	Wichita Falls, Tex. ....	58.1
Phoenix, Ariz. ....	94.3	Denver, Colo. ....	52.7
San Jose, Calif. ....	83.5	Tampa-St. Petersburg, Fla.	52.1
Atlanta, Ga. ....	67.3	Brockton, Mass. ....	51.5
Dallas, Tex. ....	58.7	Sacramento, Calif. ....	35.2

This list is not monopolized by either large or small metropolitan areas, although there seem to be differences, on the average, in the rates of construction activity by size of the areas. As has typically happened in the past, the lowest rate of construction took place in areas with fewer than 250,000 people and in those with more than one million people. The highest rate of residential construction has been snatched from the areas with 500,000 to one million people by the areas with 250,000 to 500,000 people. The average number of new family accommodations built per month per 10,000 families in each of the latest five quarters for which we have data is shown in the table below. The annual averages since 1939, along with these figures, are charted on page 358.

**NEW FAMILY ACCOMMODATIONS PER MONTH PER 10,000 FAMILIES**  
(National quarterly averages, seasonally adjusted)

Metropolitan Area	1960				1961
	I	II	III	IV	I
Population					
Over 1,000,000	15.0	15.8	15.1	17.5	15.7
500,000 to 1,000,000	20.3	21.6	18.0	20.5	18.3
250,000 to 500,000	17.9	18.7	18.9	19.3	18.5
Less than 250,000	15.1	16.1	15.6	16.8	14.8

From this table, also, we can see that the rate of residential construction activity has declined from the fourth quarter of 1960. Total private housing starts published by the Census have not begun to show improvement this year over last year during the second quarter. Therefore, the rate of residential construction probably will stay down, too, in spite of easier money, lower interest rates, and easier terms. Perhaps we will have to wait until the third quarter, which we are experiencing now, before the increasing number of cities showing improvement over last year will show themselves in the national averages. Then, too, residential construction must increase faster than population if the rate of construction is to increase.

